BETTER FARMING METHODS

DECEMBER, 1961

A WATT PUBLICATION

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Business Magazine for the Adoption Leaders of Agriculture

Is Rural Main Street Disappearing?

Page 12

MARKETING ORDERS —

A THREAT OR HELP?

Not an easy question, but one that livestock producers may have to answer.

UNWISE EXPANSION CAN BANKRUPT YOU

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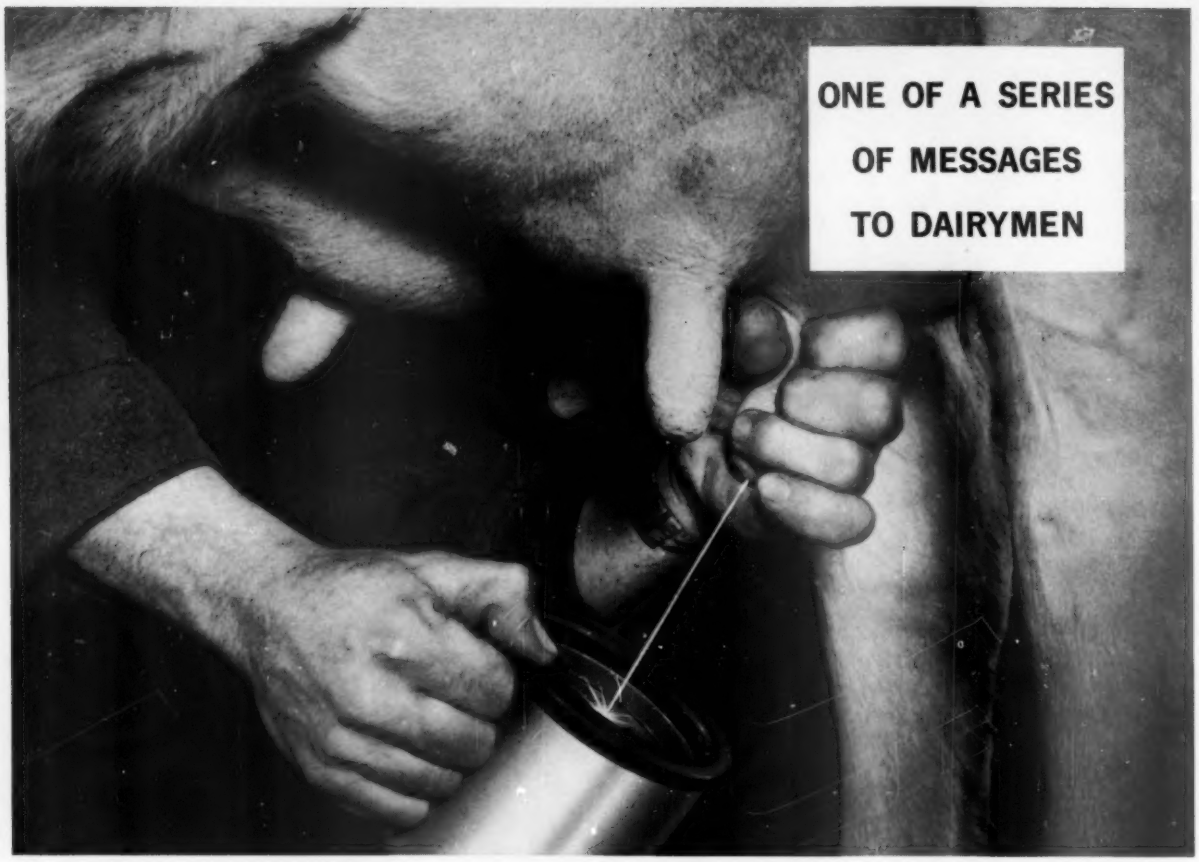

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INTERNATIONAL HARVESTER

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BETTER FARMING METHODS

December, 1961 Vol. 33 No. 12

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WASHINGTON NEWS

by Jay Richter

First National Market Order?

Shortly after the first of next year, barring complications which USDA hopefully feels won't arise, producers of turkeys and turkey hatching eggs will be voting in a referendum on marketing orders for their commodities.

The result could be adoption of the first effective nationwide "supply management" program for a livestock or poultry product.

Present drafts of the proposed marketing orders would give USDA and a producer board power to control the volume of turkey reaching the market. If enough turkey producers vote "yes," administration planners will be pushing the same idea for other commodities. Assistant Agriculture Secretary James Ralph says producers of broilers and lambs are among other commodity groups currently showing interest in the marketing order idea.

Spending Too Much Money

Agriculture Secretary Orville L. Freeman has been facing a lot of sharp sniping from inside the ranks of the Kennedy administration because of the way USDA spending jumped this year.

The White House wants to balance the Federal budget, and it wants to put a rein on farm spending. Some officials of the administration's economic policy family are said to be arguing privately that the government can't hope to make large-scale cuts in farm spending as long as it continues to operate programs which try to hold production down and price supports up.

Freeman and his aides, meanwhile, have been working on several possible variations of new long-range feed grain and wheat control programs designed for consideration by the Congress next year. The Freeman team believes it would be both politically and economically wrong to try to squeeze down production without companion measures such as price supports, to maintain farm income.

The President has given no public signs of readiness to abandon this kind of thinking yet. But there have been enough "leaks" from informed officials to make it plain that the White House is very unhappy with the costs of the administration's first-year farm programs.

Agriculture Budget Trimming

The pressure for a balanced Federal budget in the fiscal year opening next July 1 means you may see USDA forced to trim its spending sails in several fields. Farm credit may be one.

The ACP conservation subsidy program likely will be another, although it can't be affected until the 1963 crop year because the Congress has already okayed the 1962 program.

Both former President Eisenhower and President Kennedy have tried to cut the ACP program below its current level of 250 million dollars a year. Neither has succeeded, partly because ACP has the backing of many powerful Congressional leaders, and partly because most White House efforts to trim it back have generally been half-hearted.

Next year, when the Congress votes on the 1963 ACP spending authorization, chances are good that you'll see a really determined White House bid for reduced spending. We expect to see the administration propose fewer payments for "temporary" conservation practices coupled with the use of much ACP money as a tied-in part of new grain control programs.

Sale of Public Lands

Local governments will soon be taken into partnership with Interior Department officials in decisions on the sale or lease of public domain lands for private use.

Under the Small Tract law, the government can lease or sell up to five acres to any citizen for homesites, recreation, or business purposes. Now, Interior's Bureau of Land Management has proposed new rules under which it would cooperate with local governments before approving leases or sales. Federal and local officials would review availability of schools, water, roads, electricity, etc., before allowing developments on the public lands.

Less and Less Influence

It will be no news to anyone with a professional interest in agriculture that the political power of the nation's farmers will suffer another body blow when the House of Representatives is redistricted in 1962 on the basis of the 1960 census.

But don't overlook the equally important fact that farmers are going to be hit a second blow in many states during the year by re-apportionment of state legislatures.

There is no blinking at the fact that the power of rural areas in many state legislatures is far greater than the numerical strength of farm and rural people compared with their urban cousins. Some of that disparity will be chopped away next year, and with it will go some of the power of rural areas to influence state policy in fields like road-building, school affairs, and tax programs.

The Federal and state-level redistricting can have a lasting influence on future government activity in agricultural matters. For instance: Will a city-dominated state legislature be as generous in supporting its agricultural college and allied programs as the legislatures of the past? Won't a city-dominated national House lose sympathy, as many farm leaders have been predicting, for government price support programs?

Current estimates indicate that the House now has 166 members from areas which can fairly be listed as "farm districts." When the Congress elected next fall gets down to work in 1963, there will be only about 131 "farm" members—a cut of about a fifth. Total membership of the House in 1963 will be 435. End

It is impossible to have a general set of recommendations for expansion of farming operations. The resources of each farm are different. A specific farm might or might not be an "economic unit." There are no pat answers, no standards, which apply across the board. Answers to expansion problems can be helpful only if made in the light of the business in question.

Unwise Expansion Can Bankrupt You

by Dr. W. L. Barr
Pennsylvania State University

● AN "ECONOMIC UNIT" is popularly thought of as what it takes in the way of resources to provide given levels of income. This popular notion needs to be clarified because fuzziness in thinking on this point obscures underlying problems confronting farmers and leads farm advisors and others into serious errors in recommendations made to farmers.

Recommendations are constantly being made to keep a certain number of livestock or to follow certain practices in crop production or that certain levels of livestock production are necessary in order for farmers to be financially successful. Such recommendations may increase net farm incomes for some, but decrease it for others. The error in such recommendations for some lies in the mistaken assumption on the part of the advisor that such levels are necessary to constitute an "economic unit".

Errors May Be Costly

The danger in such an error is that farmers who risk their money on the basis of such recommendations may end up worse off financially than if they never heard of the recommendation. The discussion here of an "economic unit" is illustrated in terms of the dairy farmer but applies equally to other types of operations.

While the concept of what is an "economic unit" logically must be answered in economic terms, it is helpful to start by defining what is a farm. In economics each farm is viewed as a combination of certain resources. The general categories of resources are land, labor and capital. Each farm differs somewhat from every other farm in terms of the amount and in terms of the quality of these resources which are combined in the business.

Each farm also differs somewhat from every other farm in terms of the efficiency with which the operator organizes and operates his resources. Ability of the operator to organize and use his resources is sometimes referred to as the fourth resource category of the farm.

In Pennsylvania we have many different size dairy herds operated at various levels of efficiency. There are a total of about 38,000 such units of which those with more than 10 cows might be termed commercial dairy farms. Among the commercial dairy units size of herds ranges from 10 to one of almost 300 head. At any point along this scale of size a farm may or may not be an economic unit.

In economics it is usually assumed that the operator wishes to realize the maximum satisfaction from the use of his resources. Satisfaction is, of course, related to monetary and other aspects of his business and family environment. What could the operator realize from using his resources of land, labor (including his own), and capital at their next best alternative use? When they are so organized and efficiently enough operated that the returns from dairying are at least equal to those which could be realized from their next best alternative use, the dairy farm is considered an "economic unit". Obviously, then, there are both small and large "economic units". But this says nothing about a desired level of income.

What Is Right Income?

It was pointed out that all along the scale in size of Pennsylvania dairy farms you may or may not have an "economic unit". Also, at any point along this scale you may or may not have a satisfactory level of income. Whether or not the income level provided by any farm is satisfactory depends entirely upon the individual farmer. Each of the 38,000 dairymen could have a different level of income satisfaction.

It was also pointed out that each farm is somewhat different from others. Thus, a given level of desired income can be achieved by various combinations of resources. In fact, there is probably a multitude of such

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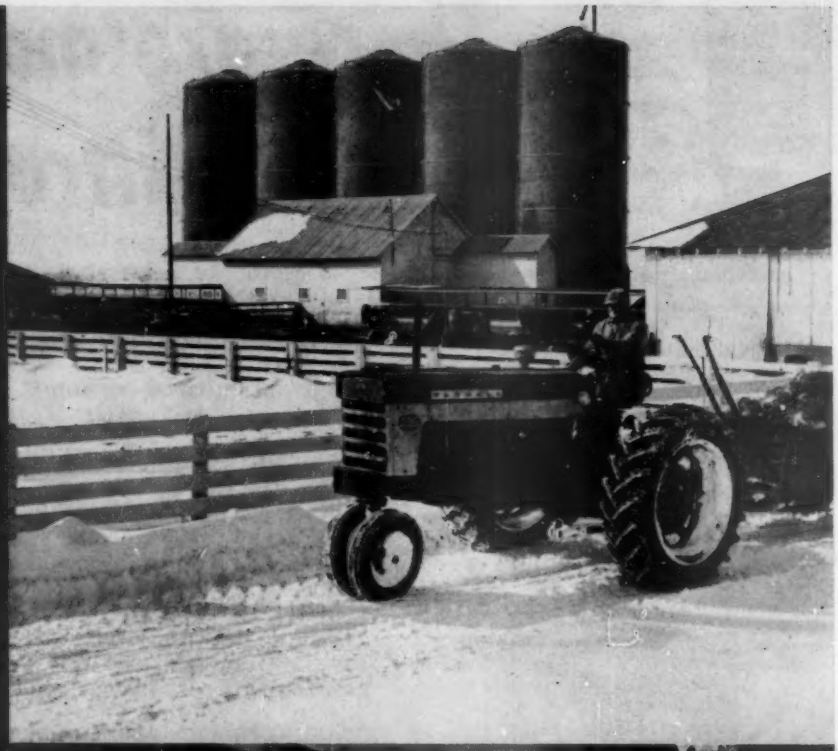

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combinations. For example, let us assume that a net income of $5,000 was the desired goal. It might be realized on the one hand by an operator with 20 cows producing 15,000 pounds each or by another with 30 cows producing 10,000 pounds each or by many other combinations.

All monetary income, values of farm privileges, site values, appreciation in capital, and other non-monetary values associated with the personal preferences of the operator for operating the farm are considered as part of the gross income. The net income is what is left after all operating costs, both business and those associated with the non-monetary satisfactions considered are deducted from the gross income.

It is true that some dairymen fail to break even so far as this net income is concerned. And this might happen at any point on the scale of size, whether with 10, with 50, or with 250 cows. Whenever this happens, or the dairyman anticipates it will happen for more than a short time, the farm is not an "economic unit". This is true so long as the resources used in dairying could be sold and the operator go out of business.

What Can Be Done?

What happens or what could happen when a dairyman faces the situation of not breaking even? First, he can attempt to improve the efficiency with which he uses his existing resources. Second, he can combine with this the acquisition of additional resources for use in dairying. He also can give consideration to using his resources at some alternative activity.

When an alternative activity, particularly for the labor resources of the operator, would return enough to offset possible losses for inactivity of the land and capital resource, and still is greater than the net return realized from dairying, the operator goes out of dairying. This is happening every day. For example, the number of dairymen in Pennsylvania dropped from over 55,000 in 1949 to about 38,000 in 1959.

Increasing Loss in Herds

The rate of disappearance is accelerating. Currently it is almost 4 percent per year. Disappearance is occurring all along the scale in size of herd. For example, an operator with over 100 cows recently decided to go out of dairying because he figures he could make more money operating another type of business. However, it is also true that more smaller than larger herds are being liquidated.

There is a big job confronting all those engaged in educational activities designed to help Pennsylvania dairy farmers. At all levels of size opportunity exists for more efficiency. Not just in the sense of using labor more effectively, but in the over-all economic efficiency of the business. Even in the case of labor, improvements in efficiency means working smarter, not harder, with the result that jobs are done easier and with less time.

Improvements in efficiency are not achieved, for example, by implementing recommendations that hay yields be increased or that production per cow be raised. Recommendations to this end, as hinted at earlier, might actually reduce net income. If the resources of the dairyman are such that when following a recommendation for more fertilizer, hay yields are increased more than enough to offset the cost of the extra fertilizer, such action *might* add to net income. The word "might" is used because the extra forage must be fed cows which can transform it with economic efficiency into milk and calves. If there are not enough cows to use the extra roughage or they are of too low a quality to be efficient economic converters, the extra money spent for fertilizer might actually reduce the net farm income. In any case, returns from alternative uses for the money spent for extra fertilizer need to be considered before deciding that it is the most profitable action to take.

Analyze Each Situation

The gist of it is then, when you consider that each farm is a little different in terms of resources, and that it might or might not be an "economic unit" and that it may or may not produce a satisfactory level of income, then it is well nigh impossible to have a general set of recommendations.

To be helpful to dairymen it is necessary to analyze each situation as it arises. There are no pat answers, no standards, which apply across the board. Answers to problems of dairymen can be helpful, only if made in the light of the particular business in question.

Policymakers Must Choose Direction

● The present government farm programs will affect the livestock business in the months ahead, a University of Illinois agricultural economist has pointed out.

T. A. Hieronymus believes that the 1962 spring pig crop will show only a small increase—less than usual for the current phase of the hog cycle.

Cattle feeders may finish their cattle to lighter weights, particularly if they must feed corn eligible for the $1.20 support price.

The longer range government policy will have a greater effect on the livestock industry. Should the 1962 corn support be raised to encourage more participation in the feed grain program, then feeding would be curtailed. To boost feed grain use, price must be kept down.

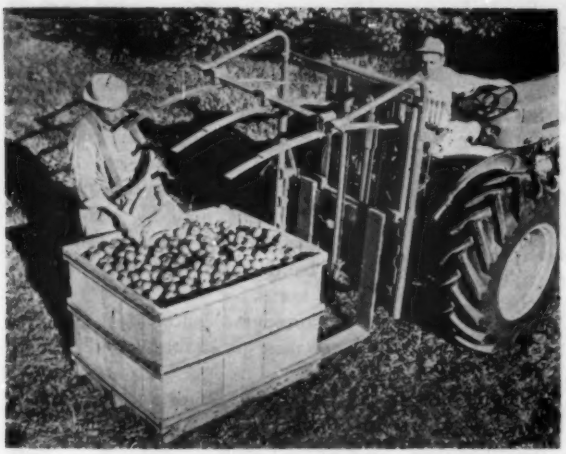
Curtailed feeding could mean reduced volume through livestock market channels, higher unit costs and reduced profits.

Present high costs of the program will require government policymakers to choose one of two courses. Either more stringent production controls must be imposed, or prices must be determined on the market. The 1961 and 1962 programs make it more difficult to return to the free market, he concludes.

Hieronymus spoke before a conference of livestock marketing personnel on the U. of I. campus this past month.

KEEPING AHEAD

Farming With Fork Lifts



Fast, easy handling of raw materials and finished products with fork lifts is an old story for manufacturers. But farmers, for the most part, have found industrial fork lifts too expensive or poorly adapted for farm needs.

Massey-Ferguson has solved the problem with its new M-F 10 Fork Lift which was specially designed for the bulk handling of a large variety of palletized goods on the farm. The unit can be quickly attached to the rear end of an M-F tractor and operates off its hydraulic system.

Herbicide Paves Way to Changes in Tomato Growing

Sweeping changes in methods of planting and harvesting tomatoes are in the offing. Solan®—the first post emergent herbicide safe for use on tomato crops—will be introduced on a commercial scale by Niagara Chemical Division next spring. The new herbicide paves the way to successful field seeding and mechanical harvesting of tomatoes. Until now, these practices have been limited by the need for a compound which effectively controls weeds after they put in an appearance and will not harm established tomato plants. In addition to its promise as an aid in these newer tomato growing concepts, Solan is ideally suited for use on transplants. Weed control is a costly and troublesome problem in transplanted as well as seeded tomatoes, and Solan is expected to find wide acceptance in this area of use.

Borer-Resistant Corn Hybrids

Techniques for accurately measuring the ability of corn plants to resist attack by the European corn borer are aiding considerably in development of hybrids resistant to the destructive insect.

First step in the procedure devised and perfected by USDA scientists at Ankeny, Iowa, is to artificially infest test plants in the field. This is begun by collecting corn borer moths and placing them in special laboratory cages. Eggs laid by these moths are then transferred by hand to plants in the field, ensuring uniform infestation. Next, an evaluation is made of different degrees of genetic resistance or tolerance of plants to first and second broods of the borer.

Resistance to first-brood borers is judged by the amount of leaf injury. Borer larvae begin feeding in the whorl, or bud, of young corn. As leaves grow, the pattern and extent of damage and survival of larvae provide an index of resistance.

Tolerance to second-brood borers is indicated by the extent of tunneling the larvae do in stalks and ear shanks, and by the amount of stalk breakage and number of ears that fall to the ground.

A New Weapon Against Insects

The possibility of using chemicals to sexually sterilize insects—as a means of control or eradication by preventing reproduction—is no longer just a scientific theory.

By treating laboratory-reared insects with minute quantities of sterilization chemicals (Chemosterilants), USDA scientists have completely halted reproduction in test colonies of several species—houseflies, mosquitoes, stable flies, screwworms, boll weevils, and Mexican fruit flies. Sterilized females laid no eggs, and the eggs laid by fertile females that mated with sterile males did not hatch. Sexual vigor and mating behavior were not affected.

In a preliminary field test, ARS entomologists of Orlando, Fla., almost eliminated a population of houseflies infesting a partially isolated refuse dump on a small uninhabited island. After five weekly applications of a bait containing a chemosterilant, only a few flies could be found, and 99 percent of those captured were sterile.

Killing Bugs by Starvation

Scientists have developed a new insecticide which doesn't kill the tiny creatures; it simply starves them to death. Preliminary field investigations at the University of California indicate that once a bug is exposed to the new chemical, it just stops eating. According to Dr. Harry Lange, who conducted the California research, the chemical apparently interferes with the insect's metabolism causing it to "starve to death believing its stomach is full."

This revolutionary concept in insect control was developed by entomologists at Cyanamid International's central research department. The compound, 4' (dimethyltriazino) acetanilide, or CL 24055 to the scientists, has been under scrutiny for about three years. It is non-toxic to human beings and wild life and leaves no potentially harmful residue on fruits or vegetables.

Synchronized Hog Breeding

"Synchronized breeding" may be the only practical system of artificial insemination of hogs. If artificial insemination of hogs is going to work, the females to be bred must come into heat at the same time. Then they can be bred at the same time. Otherwise, each female must be bred as she comes into heat. This is more trouble than it's worth because: (1) Hogs are not usually handled individually, (2) it's difficult to accurately detect heat and (3) hogs come into heat any time during a three-week period.

With synchronized breeding, however, females come into

IN AGRICULTURE

heat simultaneously. Here's the experimental procedure, outlined by Dr. John H. Shropshire, University of Delaware, that is being used to make this possible:

A female sex hormone is mixed with the feed going to sows and gilts. The hormone prevents them from coming into heat. When it is time to breed the females, they are returned to a normal diet. Within a few days, most of the females come into heat at the same time. Then they can be bred.

"Fingerprinting" the Bulls

The Animal Health Trust's Livestock Research Center in Essex, England, has developed a novel method of "fingerprinting" bulls. The aim is to provide breeders with a reliable method of classifying their stock according to disease-susceptibility, production-potential, fertility and other inherited characteristics.

The Center's technique for blood grouping is acquiring increasing practical importance—particularly in A.I. routine. Early results suggest that there might be a connection between the serum type of bulls and their "relative breeding va'ue."

The test is known as starch gel electrophoresis and consists of passing an electric current through a starch gel to which blood serum from an animal has been added. The constituents of the serum are separated and a pattern is produced in the form of bands. Research has proved these bands to be as distinctive, permanent and immutable as finger prints in the human race. But unlike fingerprints, the blood serum patterns are closely inherited.

Pellet-Only Roughage Poses Problems

Dairymen who limit roughage intake of their cattle to dehydrated alfalfa pellets are likely to run into two problems, according to Colorado State University research.

One is severe parakeratosis — the formation of a hard, crusty lining on the inner wall of the cow's rumen. This prevents the rumen from functioning as it should. The other is an apparently significant drop in butterfat content of the milk produced.

R. G. Hinders, assistant professor of dairy science, also reports a fairly substantial decrease in milk production. But he questions whether this drop can be attributed to the ration, since earlier tests of a similar nature showed no such reduction.

New Controls for Automatic Feeders

Feeding systems in South Dakota will become much more automatic as new controls and metering devices are developed. Speakers at the recent South Dakota State College Agricultural Engineering Field Day demonstrated this point when they displayed several such mechanisms, still in experimental stages. One of these slowly lowers a silo unloader to meter silage from a conventional silo.

Working with a complete feeding system, set up on the department research farm near Brookings, Harold Winterfeld, assistant ag engineer, also demonstrated an experimental roller mill, and a mechanism that automatically tipped the diverter board on a tube feeder.

Instructor Myron Paine, pointed out the features of new experimental control featuring unitized construction. These controls can be plugged together as required and quickly connected into the type of system necessary to operate the feeding equipment.

Moving and Resorting Growing Pigs

Researchers at the Ohio Agriculture Experiment Station have pointed out that when hogs are resorted or moved they require more feed to reach market weight. Dr. H. S. Teague, animal scientist, recently discussed a project that looks into the effects of moving and resorting growing pigs. In the experiment, the pigs were resorted or moved every four weeks and live weight and feed consumption recorded at 2-week intervals.

Dr. Teague reported that the greatest effect of resorting hogs was on feed conversion. In the three trials at Wooster, pigs resorted required more feed per 100 pounds of gain. The difference ranged from an average of 5.5 to as much as 19 pounds of feed. This meant an extra cost averaging about 66 cents per hog. Moving pigs did not affect feed conversion as drastically as did the resorting, but there was a consistency in increased feed requirement.

Precision Sugar Beet Planter

A precision sugar beet planter that makes possible greater efficiency in thinning, cultivation, and harvesting operations has been developed at Michigan State University. The new sugar beet planter can deposit seeds so they have no forward movement even though the machine is moving forward. This prevents the former problem of seed scattering down and to the sides of the row. Precision planting makes thinning, cultivation and harvesting equipment more efficient. The seed meter device can select individual seeds from a mixture of different sized seeds, the researchers reported.

Sprayer Uses Airfoil Principle

A new field and row crop boom sprayer being introduced by Sprayfoil Corporation, Minneapolis, features 39 sprayheads of the patented new airfoil design. Airfoil spraying uses a low pressure-high velocity airstream to move the spray material over aerodynamic foils and onto the crop being sprayed. Airfoil spray mist envelops the object being sprayed more like a cloud of fog. The net result of airfoil spraying is that the job is accomplished faster and without wasteful runoff.

MARKETING ORDERS — A Threat or Help?

by Dr. George Brinegar
University of Illinois

● MARKETING ORDERS can be used to fix price, change supply, and change demand.

They usually produce secondary effects that increase or decrease the efficiency of the economy by changing the amounts and combination of inputs used and of outputs produced. They may be used to transfer income from nonfarmer to farmer, and vice versa. The amount of impact they have is difficult to measure; it varies from commodity to commodity, place to place, and time to time.

The purpose for which marketing orders are designed can be either good or bad or a combination of both. The test of the order as a tool is: Does it work? The test of its purpose involves not only economic values, but many other values to varying degrees. Marketing orders are powerful tools, but they are not all-powerful.

Marketing orders have been successfully employed in the past, they are being so used at present, and they can be so used in the future. On the other hand, some orders have been and are being misused. A danger to guard against is that an order may be called upon to do something beyond its power and/or that it will be used in such a way that it will produce socially undesirable side effects or will conflict with the public interest.

Designed for Specific Problem

A marketing order must be designed for the specific problem that is involved. Evaluations of the advantages and disadvantages of marketing orders in general are likely to confuse rather than enlighten and should be attempted only with discretion.

An attempt to predict the extent to which the use of marketing orders may be expanded throughout the livestock industry requires that evaluations be made of at least the following matters:

1. The "distress" of producers and the rest of the industry.
2. Concentration of production and/or distribution.
3. Nature of the demand for the commodity.
4. Pressure from Washington.

The more "distress" an industry is in, the more likely it is to want marketing orders, or to attempt to get together privately in the effort to limit supply. This can be seen in the origin of most past marketing orders and in such nonagricultural industries as coal mining.

The Fewer Involved, the Better

Second, if an order is to be effectively administered and operated, the fewer the number of businesses to be regulated, the better. This is simply a reflection of the fact that it is easier to check up on a few marketing firms or farmers than large numbers of them. In this respect, the egg, broiler, turkey, beef, pork and lamb industries differ from each other and form the situation in milk, lemons, etc. The capital required to establish a going concern which can pasteurize, process, bottle, and distribute milk is relatively high compared with the capital needed to produce eggs and distribute them on a few retail routes. Thus, the number of people who would require regulation under a marketing order covering eggs is far greater than is the case with milk, or would be the case with some other commodities. Another consideration closely related to the one mentioned is that the value of eggs per unit of weight is higher than is the case with milk. Thus, eggs can be profitably shipped greater distances than milk. This, of course, also increases the number of individuals that would require regulation.

Third, if a market order is to increase income to producers, the more inelastic the demand is, the better. While all elasticity of demand measures leave something to be desired, they are still meaningful if carefully interpreted. Demand elasticities for the several meats likely make these commodities relatively poor candidates for marketing orders compared with milk.

A closely allied question concerns the extent to which price discrimination is feasible. If a commodity is used for several things and the markets for each of these uses can be separated and the elasticities of demand differ among each of these markets, price discrimination or classified pricing systems may be used to increase gross receipts from the sale of the commodity. Again, wide differences in this are to be found for milk and the several meats.

The pressure from Washington for marketing orders comes from many causes. However, one important one is

At press time hearings were being conducted on the proposed marketing orders for the turkey industry. Few livestock producers realize the importance and significance of the proposed turkey marketing orders. Soon agriculture may have its first national marketing order for a meat product. Will the trend move along to broilers, lamb, hogs and beef? Some authorities argue it must. They reason that when one meat product is regulated, all the others should be brought into line.

the need to keep Treasury expenses low. The marketing order can be effectivly used to transfer income from non-farmers to farmers at a small cost to the Treasury. This does not mean at a small cost to people as consumers and taxpayers both — in fact, the sum of these costs will likely be bigger with market orders than if direct Treasury payments are made.

How a person adds all these considerations together will significantly affect his prognosis on the extent to which he considers expansion in the use of marketing orders as likely. It is doubtful if marketing orders will be adopted and used in the next few years to alter either production of the several meats or net incomes of meat producers by as much as 5 percent. The possibility that orders could be used to increase the price of meat to consumers by 5 percent is considerably higher and a likelihood to the extent orders are used at all.

The notion most people have of marketing orders and agreements cuts across their several characteristics. Producers usually think of them as a means of increasing farm income. In a political context they are often considered a method of aiding farmers while keeping Treasury outlays to a minimum. Handlers see them as a way to shift competition away from part of their buying operations and thus leave them free to concentrate on selling and processing.

Marketing orders and agreements are, in an economic context, tools for (1) shifting the positions or changing the slopes of demand curves, (2) shifting the positions or changing the slopes of supply curves, and (3) fixing price.

The Effect Upon Income

Use of these tools usually changes aggregate farm income and/or income distribution among affected individuals. The hearing, one step in making an order effective, takes account of the interest of producers, handlers, and consumers. Use of these tools also usually leads to unintended by-products and effects and often requires supporting activities, such as gathering and disseminating information.

The major economic differences between an order and an agreement is that orders are binding on all groups within the effective order area, while agreements are binding only on the groups signing the agreement. Thus, the economic impact of an order will likely be greater than that of an agreement. In contrast with the federal government, the states can exercise no control over interstate commerce. The federal government is thus less restricted in the measures it can adopt. The impact of a state vs. a federal order will vary with the extent to which interstate commerce is involved and with the extent to which a state government is prepared to permit special groups to fix price, control supply, and/or shift demand for products moving in intrastate commerce.

How Orders Affect Demand

The demand curve is relatively easy to interpret, though actually measuring changes in the position or slope of the curve may become highly complex. The logic of using marketing orders to affect demand and increase income is as follows:

1. Shift the demand curve to the right and a greater amount can be sold at the same price or the same amount at a higher price.
2. The less elastic the demand curve is (more nearly vertical on the usual graph), the more the price will increase when the amount offered for sale is decreased, and vice versa.
3. The more elastic the demand curve is (more nearly horizontal on the usual graph), the less the price will decrease when the amount offered for sale is increased, and vice versa.

The classical methods for changing demand are advertising, product availability, development of new uses for a product, education, increase in income, growth in population, decrease in supply of competing goods, increase in supply of complementary goods, improved quality, buyer credit, and such other things as will enable and induce consumers to buy more of the product. Marketing orders have played and can play a role in these activities.

Can farm income be increased by changing consumer demand for farm products? The answer may be either yes or no. The answer is yes if the demand curve is shifted to the right and if gross income is to be the criterion. However, if it is to be net income, which is

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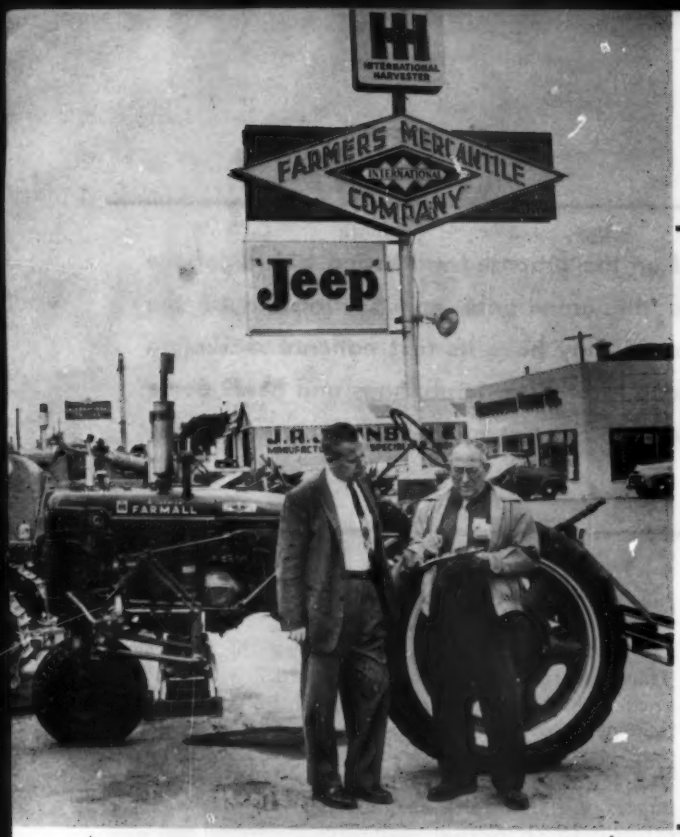

Is Rural Main Street Disappearing?

by Dr. Arnold Paulsen and Jerry Carlson

● PEOPLE IN SMALL TOWNS are asking: "Will one big farmer out here be as good a customer for main street as two small farmers used to be?" To some stores on main street the answer is "yes," — to others it's "no."

A 1956 Iowa State University study in southwest Iowa gives us some information on what happens when farms consolidate. It tells what happens to the volume of output and the demand for inputs. It helps explain what's going on in rural towns.

Suppose Tom sells his 160 acres and leaves for greener pastures. Joe, a neighbor farming 240 acres across the road, buys the land and begins farming all 400 acres.

Although total land area in farms doesn't change with consolidation, spending to operate it — and production from it — does change. It's likely that Tom's former land is now part of a more efficient operation. Some costs per acre will be up, but the land will likely be yielding more, so costs per bushel of output will drop. Local grain dealers or livestock shippers might handle more volume, thus, make more money.

Joe will probably need less machinery investment per acre, since he can use his tractor, plow, baler, combine, etc., on more land. Tom's old machinery will be sold to other neighbors. But if it's old, beat up, or small, the large farmer will not buy it. Joe will likely turn to bigger and more specialized equipment. Farm consolidation pressures used machinery prices downward.

Must Be of Service

The local machinery dealer will be by-passed for whatever new machinery Joe might buy if the dealer can't repair heavy and complicated machinery and doesn't stock all kinds and sizes of hydraulic cylinders, electrical parts, roller chains, and so on. Consolidation and improved equipment means dealers will be called upon for a wider array of specialized services. It's not only machinery dealers that are hit with the effects of consolidation and modern farming. Fertilizer sales will climb, since Joe can afford it and knows how to make it pay. Tom didn't. In the southwest Iowa study, the average farmer who left the farm had spent only $30 for fertilizer; farmers who took over had been spending $308 and planned to spend $401 when they got the extra land. Joe will probably buy more fertilizer per acre and a more specific fertilizer mix with more additives than did Tom.

With consolidation, consumer-goods stores on "main street" can expect changes in the blend of farm-family spending. There are fewer farmers in the community to buy groceries and other necessities. But if remaining farmers gain larger net incomes through bigger operations, they'll spend more on their families. They'll call for a higher standard of living. They won't spend much more for groceries but will spend more for housing, furniture, appliances and recreation.

As consolidation continues, the third grocery store in town might become a bowling alley, the second clothing shop a fine furniture store and the only hardware store will find more demand for gadgets and quality household appliances.

Remember, these changes are hap-

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Spending in rural towns is tied to the volume and value of farm output and net farm income. Local spending changes its form and volume as farms consolidate. Spending generated by volume of farm output is reduced through any products control program, not land retirement alone.

Farm supply and product handling businesses are affected most by supply control, rather than the number of farmers. Consumer-goods stores are affected by total net income in the community and the percent of incomes spent locally.

pening because of the technical revolution in agriculture and throughout the country. They'll continue regardless of government farm programs.

Now let us superimpose a land retirement program over these "normal" changes.

In Rosland, South Dakota, the local implement dealer said a third of the farmers had left, and on the way out they sold their machinery to the remaining two-thirds. This had clearly "cut business by two-thirds."

In other communities, some firms report business as usual even though 25 percent of the local land is retired. Can such diverging reports both be true? Yes, we think so.

Side Effects of Controls

Farm production was trimmed, only slightly over-all, by past conservation reserve, but the effect was much more in some areas or in some crops. Under production control, farmers buy less fuel and machinery, sell less grain and livestock. Businesses feeling the impact would be grain elevators, feed mills, livestock buying points, machinery sales outlets, repair shops, fuel distributors, fertilizer dealers.

Consumer-goods business like clothing and appliance stores would (1) only gradually feel some tightening in sales as people in machinery, grain and other local "agribusiness" firms slowed spending, and (2) might eventually see some people move off the farm and perhaps out of the community as a result of land retirement. Retailers would chalk up the lost business to land retirement.

If small, poor farmers are the main participants, the high-class restaurants, the fine furniture store and the Buick-Cadillac-Olds dealer may see little impact because the participants never could afford to trade there anyway.

The administrators of the soil bank have long known that land retirement may effect townspeople. As a result, heavy land retirement in the conservation reserve was on a "local option" basis. In 1960, 59 communities in 14 states asked state Agricultural Stabilization and Conservation Committees to allow local farmers to break through the 25 percent ceiling on land retirement within communities. Thirty-nine requests were approved because they appeared to have overwhelming support of local businessmen.

About 28 million acres are in the conservation reserve now. This does not retire the excess capacity to produce grain. At one dollar corn we have regularly added to stocks. If land retirement were used to manage the excess capacity, much more land would have to be idled. If we don't use this excess capacity to produce for storage, we cut down on the need for the services of rural communities. Any production control program would have an adverse effect on rural towns.

Part-time land retirement would affect local communities less than a whole-farm plan, at least in the first few years. Since more people would stay, at least for a while, it would not reduce spending for consumer goods so much. A soil-bank pattern sprinkling land retirement over many regions would spread the impact over more communities. It would not, however, reduce the total effect on "main street," rural U.S.A.

Farm-related businesses can be classed three ways depending upon their relationship to agriculture. Each class is affected differently by price and volume changes in agriculture.

1. Consumer-goods businesses are related to agriculture through net farm income. Net corresponds to a salary check and comes to town for things like clothing, food, furniture, automobiles and recreation. As a city grows in size, farmers become relatively less important customers. These businesses are financially indifferent as to whether farmers' net incomes are from good crops, good prices or government payments.

2. Production-goods businesses are related to agriculture through farm business expenditures. Gross production expenditures are more important to rural towns than farmers' net income. Modern farmers continue to spend large sums even though profits are down. Fifty percent of gross farm income goes back to town for fuel, tractors, machinery, buildings, labor, taxes, interest and other business expenses. Another 20 percent of gross is spent for feed and livestock purchases. Much of this business expense money is spent locally. Across the United States, a trade chain of 6 million people work in industries supplying 4 million farmers with tools and supplies to keep agriculture rolling. Farmers buy production goods as they need them and can pay for them.

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Improving Agriculture's Image Through

the Agribusiness Luncheon

The San Bernardino Agribusiness luncheon is a unique experiment. It provides an opportunity for the county's agricultural people, its "agribusinessmen", and civic, business, and industrial leaders to become personally acquainted and develop mutual understanding.

by Roland Hartman

A number of guest trees were arranged in the picnic area so that hosts could pick up the tickets for their guests, also the name cards. Where the host could not bring his guest to the luncheon, arrangements were made to meet at the guest tree.

●SHORTLY BEFORE NOON on the last Thursday in September, automobiles began to pull up along the roads and in parking areas in Perris Hill Park at San Bernardino, Calif. Men in groups, pairs and even alone got out of these cars and started walking toward the picnic area in the park. The occasion — the third annual San Bernardino Agri-Business Luncheon.

Agriculture's image among its city neighbors is none too good. In Southern California where new housing developments seemingly spring up almost overnight in what have been top farming areas, farmers soon become conscious of the pressures that arise as a result of their new neighbors. Agriculture is placed on the defensive.

San Bernardino County has the largest area of any county in the country. While much of it consists of desert land, it still boasts of a total farm output in excess of $120 million in 1960. It has felt the effects of population growth as available land for housing in adjoining Los Angeles County has become less. Whether you are a grower of grapes for wine, a milk producer, an orange grower or a poultryman, you soon find that you are concerned with more problems and more regulations.

How do you go about telling city folks that you want to get along with them? How do you get across to them the fact that agriculture contributes such great amounts to the income of the community and to its well being?

These were some of the questions that were tossed about in a brainstorming session in 1959 in the office of Fred Dorman, County Director of the Agricultural Extension Service, University of California, in San Bernardino County. After a lot of discussion, one of the staff members came up with the suggestion that farm interests in the county stage a breakfast at which they would invite leading businessmen, civic leaders, county officials and others as their guests.

The idea was discussed with leaders in the important segments of farming in the county, and this led to the formation of a steering committee. Out of the steering committee talks came plans for an agri-business breakfast, which turned out to be brunch held at 11:00 a.m. in the cafeteria of the National Orange Show.

Everyone Brings a Guest

Rather than to have a formal type of meeting addressed by some prominent speaker, it was decided that each farmer or agri-businessman buy a ticket to pay for his lunch and that of a guest selected for him by the steering committee. This provided an opportunity for the farmer and businessman to visit during the meal and become better acquainted with each other's interests. The committee suggested that the hosts try to pick up their guests and bring them to the meeting. Where they could not do this, arrangements were made to get together on arrival. This has been the pattern pretty much followed for the three events held thus far.

At the 1959 brunch, the first attempt to get better communication between farmers and businessmen, the program emphasis was put on the importance of having a good breakfast. The value of milk, eggs and citrus fruit in such a breakfast were stressed. These are all important products of the county.

Because the 11 o'clock time was a little awkward for many people to get away, it was decided to change the 1960 event to an outdoor picnic starting at 12 o'clock. So as not to encroach too much upon the time of the businessman guest or that of the farmer or agribusinessman, the event was planned to take no more than an hour and a half's time. This meant fast serving and a rapidly moving program.

At the 1961 luncheon, the two serving lines started to move at noon. Each host and his guest was served a grilled steak, baked beans, salad and a roll. At the table there were hard cooked eggs, butter, milk, orange juice, honey, apples, oranges and grapes. With the exception of the butter, all of these items on the table were donated by the various producer and marketing groups in the county.

By 12:30, all 490 people had been served. Under the diffused shade of the trees, it was a pleasant place to visit, and there was a hubbub of conversation.

On the speaker's platform, which was a trailer for heavy equipment borrowed from the county highway department, Fred Dorman rose at 12:45, introduced his co-chairman, Harold Crane, Agricultural Com-

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What Did the Guests Think of the Luncheon?

From a county official: "I had a most enjoyable and informative time with a most congenial host. I feel that I certainly have a better understanding of the agribusinessman's problems."

A high school counselor: "I found my host to be most interesting and cordial. In the future I am sure that I can talk to the students with a little more understanding of the importance that agribusiness plays in our state and nation."

From a Chamber of Commerce official: "The talks gave me a different perspective, as did my host."

Said a college counselor: "I felt that the program was quite helpful to me in understanding more about the agribusiness field. I sincerely appreciate the opportunity to attend."

A businessman: "We need better understanding of each other's problems and needs. Some of the problems are mutual. The luncheon is a definite help in bringing the groups together."

A department store owner: "I feel very strongly that this affair establishes needed understanding and closer bonds."

missioner for the county. Under the system operating in California, the County Agricultural Commissioner is responsible to the California Department of Agriculture for carrying out the laws and regulations that pertain to agriculture in the state.

Crane then introduced the members of the steering committee scattered around at the tables with their respective guests. These included a grape producer and vintner, a potato grower who also produces grapes, a representative of the Inter-Service Club Council in San Bernardino, a member of the San Bernardino County Board of Trade, dairymen, a Farm Bureau member, a poultryman and a citrus grower. Crane then turned the meeting over to the master of ceremonies, Henry Schacht, Director of Agricultural Information, University of California, Berkeley, who had flown down that morning for the meeting.

After a few pleasantries and the introduction of Sue Speer, the National Wine Queen, who added some feminine beauty to the occasion, Schacht introduced the first speaker, Jack Shepherd. He is manager of public relations for the Calavo Growers.

"We are in the midst of an agricultural revolution of great import," Shepherd declared. "Agriculture has advanced more in the past 50 years than in all the preceding years of our history."

Biggest Employer

"Four out of every ten jobs in private employment today are related to agriculture," Shepherd declared. He then said that on the basis of a recent study, there will be more than 27,000 jobs available annually in agriculture in the United States by the 1970s. This means that at least 9,000 agricultural graduates will be needed on farms alone.

Shepherd's talk, while of interest to all people present at the luncheon, was directed particularly to the high school principals and counsellors who were invited as guests for the event. Many of them, conscious that farmers are becoming fewer, have tended to minimize the opportunities that exist in agriculture and its related service fields. The result is that many high school students who are seeking advice on courses to pursue are discouraged from going into agriculture.

In less than 20 minutes, Shepherd completed his talk. He was followed by Jesse W. Tapp, Chairman of the Board, Bank of America.

Tapp said that the best managed agriculture in the world is in California. He saw a very encouraging future in cotton, livestock and vegetables for the state.

As a result of the predicted 125 percent increase in population in Southern California in the next 20 years, he said that there would be some "thorny problems" to work out. This meant close cooperation between farm and city to solve these problems.

Jack Shepherd, at the microphone, said that by the 1970's, there will be more than 27,000 jobs available annually to people trained technically in agriculture.

Tapp's talk took no more than 15 minutes, so by 1:27 p.m., emcee Henry Schacht indicated that the event was adjourned.

For the three years now that the event has been held, sales of the host tickets have run between 260 to 270. Actual attendance in 1959 was 350; in 1960, 450; and then 490 in 1961. Some tickets that are purchased are not used, but as the event has gone on, the number is becoming less.

At the 1959 breakfast, there was a large portion of actual farmers. Since that time the host group has been greatly broadened as to interests represented, and it fits more into the concept of agribusiness. Purchasers of host tickets, therefore, this year included bankers who work closely with agriculture, feed manufacturers and servicemen, hatcherymen and chic salesmen, co-op managers, rural electrification specialists of public utilities, and others.

"They are actually a definite part of agriculture," co-chairman Harold Crane says. "Many of them wouldn't be here if agriculture wasn't here, and they should be considered a part of agriculture."

To build up the list of possible guests, the steering committee contacted leading business, industrial and civic leaders of the county. Co-chairman Fred Dorman said that the aim was to reach the people who are largely responsible for the development of the county and who, in many cases are responsible for some of the problems that farm people face. These are the increasing subdivisions, legislative regulations, zoning and other problems.

The San Bernardino County Board of trade and the various local chambers of commerce in the county were contacted for lists. Once the lists were received, they were made up and then the members of the steering committee examined them to see what additions they would make to have them more complete.

Because some of the invited guests may not be interested in attending such an event or because they may have conflict with other engagements, it is necessary to start out with a list somewhat larger than can actually be accommodated. Toward the last, this may require some phone calls from the offices of the co-chairmen to get an actual acceptance from certain individuals.

Because it is necessary to complete food arrangements well in advance, the ticket sales are cut off three weeks before the event.

The "Guest" Trees

Since the host has only his own ticket, when he comes to the luncheon, he picks up the ticket for his guest and also the name cards for each of them. To simplify this, there are five "guest" trees where the tickets and other material are filed alphabetically according to the names of the guests. These are grouped according to certain letters of the alphbet so that there aren't too many lined up at one location to pick up this material.

The sales of the tickets and the assignment of guests is probably the biggest job in putting the luncheon together, but there are the other responsibilities of lining up the luncheon itself and also getting the various food contributions. Members of the steering committee assume this responsibility.

What Are Banks Doing for Agriculture?

They manage farms, plan farm programs, settle estates with farm holdings, sell land, appraise farm real estate and many other activities. A bank in North Carolina manages a unique cattle feeding operation. The country banker who once had agriculture by the tail is a thing of the past. Farmers demand expert service along with their borrowed money.

by W. L. Turner
North Carolina State College

● MORE AND MORE banks are adding agricultural representatives to their staffs because they believe it will be good business. Peoples Bank and Trust Company in Rocky Mount, North Carolina, is a good example of this with seven agricultural representatives on their staff.

Today, when a bank assumes the responsibility for profitable and efficient farm planning and supervision, it commits itself to a highly technical job. A bank either must stay abreast of technological change and changing credit needs in agriculture, and service these needs accordingly, or face a substantial reduction in farm loans and allied business.

Many banks have added agricultural representatives to strengthen their trust department which is faced with settling estates with farm holdings. The trust officers have felt the need for agricultural representatives to advise them on how to administer estates properly and efficiently.

Other Reasons for Need

Agricultural representatives have been added to some banks because of the increase in absentee farm ownership. Much land is owned by widows who do not want to assume the managerial responsibility and by individuals who have purchased farms as an investment. Many leave their farms in trust along with other personal and real property. For this reason, banks, as service organizations, are alert to changing conditions and demands of their customers.

Job descriptions and responsibilities of agricultural representatives vary greatly from bank to bank. Their duties depend upon the size of the bank, importance of farming in the area, and the interests of the officers and directors.

A reliable working definition of an agricultural representative would be those employees who have some agricultural training plus agricultural experience. He also must be capable of providing leadership to agricultural activities of the bank.

Wide Range of Activities

Activities of agricultural representatives range from a simple public relations effort in some banks to a highly trained professional farm management specialist in other banks. Most all agricultural representatives engage in public relations work in North Carolina. Some of the other fuctions of agricultural representatives include farm planning, supervising farms, appraising farm real estate and chattel loans, appraising timber, and land sales.

Agricultural representatives provide many services to the bank such as advice and consultation where farm planning and production are involved with credit needs. They also can offer services to their fellow employees at the bank who are specialized in trust services, installment loan services, etc.

The most important service of agricultural representatives is the management of farms. In the management of farms, agricultural representatives meet a severe test because more than advice is given. An agricultural representative does not merely advise; he must put decisions into effect and be responsible for their outcome. His actions are recorded on farm operating statements and in the minds of his clients and fellow businessmen.

The successful agricultural representative must be a good farm manager. He must consider the organization and operation of the farm from the point of view of efficiency and continuous profit. The management function requires numerous and frequent decisions where choice between two or more alternatives plays the dominant role. To increase profits, these choices involve efforts either to "minimize" the costs or to "maximize" the returns to farming.

Agricultural representatives also provide services to agricultural related businesses, often called agribusiness. Agribusiness is related to the total field of agriculture including processing, marketing, and distributing the product to consumers. The combined field of agriculture—production, processing, and marketing of farm products—now requires the service of nearly 40 percent of our total work force.

Bank Runs Cattle Operation

Another profitable service for the Southern National Bank at Laurinburg looms on the horizon. Part of the old Laurinburg-Maxton Air Base was turned into a beef cattle operation that would make a Texan bug-eyed. Southern National Bank manages the cattle for the Laurinburg-Maxton Airport Commission as part of the bank's farm management service.

The old Laurinburg-Maxton Airbase property, consisting of 5,000 acres of property, is owned by the towns of Laurinburg and Maxton and controlled by the Laurinburg-Maxton Airport Commission, a body of six

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Prime Beef— Is It Becoming Extinct?

It is said that cattle feeders must produce beef that is in demand by the markets. Unless many feeders change their program they will go out of business, for no matter how large or small an operation is, it cannot long produce a product that has no buyer.

by John T. Scott, Jr.

● ONE LONG-TIME cattle feeder recently said, "The market has been trying to tell us for several years that they don't want prime beef any more, but some of us just won't listen!" This in essence is what the cattle feeder must face. He must make adjustments in his cattle feeding program to produce beef for the demand rather than go blithely along using long feeding periods to produce high quality beef.

Many cattle feeders have failed to recognize some of the changes that have occurred during the past few years. Most of these changes have come about as a consequence of consumer preferences.

Consumer Preferences

The consumer prefrence that has caused the most change is the consumer's desire for less fat and more lean meat.

The second most important factor which has effected the demand for meat is the rapid change in the last 10 years (perhaps more accurately since the second world war) in retail marketing of meat from the butcher shop and small grocer to the supermarket. Meat is put out on the counter already cut and wrapped. The quality is made as uniform as possible. Thus, there is little way the consumer can express any desire for higher or lower quality or different cuts even though there might be a difference in price. These large super market sales of uniform quality have tended to set the good grade price as the standard price for beef of all qualities.

These two factors have resulted in the closest price margin between good and prime grades of beef this year that has occurred in modern times. Usually the fatter, better quality choice and prime beef is considerably higher in price than the standard and good grades which have historically been thought of as inferior beef.

This narrowing of the price margin between low and high quality beef has been becoming more and more pronounced during the past several years. This year it has become quite obvious and almost ruinous for some cattle feeders who have traditionally fed their cattle to high choice and prime.

Bewailing the way the supermarket sells beef or saying the consumer doesn't have high quality beef is like locking the door after the horse is stolen and will not solve the beef producer's problem. It may be desireable to change the tastes of the consumer through education and advertising, but this is a slow process. The most immediate solution is to produce the product which is in demand; that is, just good grade or bordering on low choice beef.

Ways to Meet Demand

One way to produce the beef that the market is demanding would be to start with lower quality cattle that gain well, but have a lower initial cost as feeders. The emphasis will be on the inherent gaining ability of a feeder rather than "quality" appearance in the old sense of the word. In producing beef the pounds an animal can put on are more important than what he looks like. This would mean a narrowing of the price of feeders due to quality.

Another method of producing beef for the demand is to start feeding at higher initial weights. In other words, a shift from feeding calves to feeding yearlings or even two-year-olds. For those who want to continue feeding calves, the calves should be grown out more — fed more roughage before putting the grain to them. This action of feeding at heavier weights will have the effect of narrowing the price spread between feeder calves and older cattle.

Starting with heavier weights makes it possible to feed for a shorter period of time. Cattle feeders instead of feeding one drove of cattle for a period of a year will be feeding several droves of cattle for a short feed on an in-and-out basis the year around.

Another feeding system which will be used by more farmers feeding calves is to use more roughage and less grain in their cattle program. This should especially hold true until the calves get some growth and scale before increasing the grain ration. The roughage will be hay on farms that need more soil conservation measures and corn silage on farms that can produce corn more profitably.

Finally, cattle should be sold at lighter weights. When an animal finishes growing and reaches maturity the amount of protein in the carcass is near a maximum. Most of any subsequent weight added is deposition of fat, and this is what the consumer refuses to buy.

Not all cattle feeders can or are willing to use all of these methods. But most cattle feeders can adjust their present system to take advantage of at least one of the above methods.

Without such adjustments many cattle feeders will go out of business. No business firm, no matter how large or small, can long produce something that has no buyer. For all practical purposes the buyer for prime beef has gone the way of the dodo bird. He is extinct.

Is Rural Main Street Disappearing

(*Continued from page* 13)

Production-goods businesses benefit from agriculture with a large volume and prices satisfactory enough to keep it buying inputs in large quantity.

3. Handlers, haulers, and processors depend on the physical out-flow of farm products. The stream of products flowing from agriculture creates jobs for 10 million people. Their number and prosperity depend to a large extent on how large this volume is. Processing firms' profits sag if volume is low.

Prices of farm products, within a range, are of little concern to the handlers, haulers, and processors. They're paid for handling pounds of volume, not dollars of value.

Firms making and delivering goods coming to and flowing from the farm business depend upon volume and markup. These last two categories of "main street" firms are concerned about farm output and business spending. Farmers could take severe net income cuts and this group of firms could prosper as long as agriculture makes enough to keep producing in volume and paying business bills.

In contrast, grocery stores, clothing shops, furniture stores and other consumer-goods retailers on "main street" are concerned about farmers' net. They're also interested in having farmers around to spend it.

Retailers keep an eye on farm-business production volume, too. Why? Because a cut in production volume would trim sales, services, and profits of local businessmen linked with agriculture as a business operation. These people also patronize local consumer-goods retailers, and an output cut would find its way into retail consumer stores through them.

It's important for "main street" merchants to think of farm people and the farm business separately. Agriculture's main economic weight swings up and down with the volume of farm business and not so much with farm-family consumption. Agriculture is a growing industry even though there are fewer farmers. It buys more goods from industry and sends more raw material to processors every year.

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Opinion Leaders Of Agriculture

What Are Banks Doing?

(*Continued from page* 17)

men, three from Laurinburg and three from Maxton. These men are appointed by the town boards.

In this 5,000 acre tract of land, there is an area of 1,000 acres of permanent grass sod adjoining the concrete runways suitable for cattle grazing. Also, in this 1,000 acre area, that has been fenced, there is about 40 acres of concrete suited for cattle feeding. The Southern National Bank, as agent for the Airport Commission, has assumed management of the 1,000 acres and is now in the process of developing it. During the first winter and summer of operation (1960-61), the bank fed 1,700 head of steers. In the summer of 1961 it grazed 400 head of yearling steers. In the fall of 1961, facilities were ready to feed 2,000 head of steers at one time and in position to expand rapidly as need indicated. It is also planned to graze 800 to 1,000 head in the summer of 1962.

In the base operation, the Commission provides capital funds for such items as fences, feeders and waterers. The bank, as agent for the Commission, provides all management, supervision and subcontracting for cattle and the feeding of the cattle. Presently two types of trades are generally followed.

1. A packer buys and delivers feeder cattle to the base facility. A reputable feed mill provides a complete ration and delivers in bulk to the self-feeders. The bank management service provides management and subcontracts for day-to-day supervision of the operation. The packer reimburses the bank at a stated price per-pound of gain for actual pounds added while cattle are on dry-lot feed. The bank in turn settles with the feed manufacturer on a predetermined basis.

2. For a stated daily rental of five cents per head per day, plus one dollar per ton for feed consumed, an individual or others may place cattle at the base facility for feeding. Under this arrangement, the owner of the cattle pays for feed used and the bank assumes all management and supervision responsibilities, as well as furnishing the facility. At least 100 head of cattle would be the minimum accepted for feeding. On grass cattle, a similar arrangement is used. The owner of the cattle pays for pounds of gain on grass, but at a lesser price than is normally paid for dry-lot feeding. The bank, as agent for the Commision, furnishes pasture facility, management, and supervision.

The rapid growth of vertically integrated production and marketing of agricultural commodities has brought changes to city banks. For example, a city bank makes a loan to the major integrator, say a feed company, and the feed company then makes smaller loans to their broiler producers. The agricultural representative makes appraisal of the soundness of the loan to the feed company. Supervision of the loan to the broiler producer is usually made by the feed company.

The demand for farm management service by banks will continue to increase at a steady rate. As farm operations become larger they will require more adequate credit services. A reputation for handling customers' problems wisely, honestly, and confidentially is invaluable. A well-trained and experienced agricultural representative, who can make wise decisions and has the capacity to manage farms, is the single key to a successful farm management program.

Marketing Orders . . .

(*Continued from page* 11)

the usual objective, the cost of shifting the demand curve plus the effects of any changes in marketing margins must be subtracted from the increase in gross income. A short-run analysis can stop at this point, but a long-run analysis must take account of supply changes that may occur as secondary effects.

If the slope of a demand curve is changed, will farmer income be increased? Again the answer is: It all depends. If farmers can reduce supply, and the demand is inelastic, income will increase. If the demand is elastic, gross farm income will decrease if supply is restricted; though net income may increase if production costs are decreased. If a demand curve can be made more elastic (more nearly horizontal), farmers may increase both gross and net income by expanding supply and selling more, but at a slightly lower price.

Effect on Supply

A decrease in supply (shift of the supply curve to the left) will always increase price, while an increase in supply will always decrease price. The question is: Since income equals price multiplied by quantity, will the price effect or quantity effect dominate? If the elasticity of demand is unity, the two effects will exactly balance. As quantity goes up or down, price moves in the opposite direction by the same relative amount, and price multiplied by quantity is the same and income remains unchanged. If the demand curve is inelastic (approaching vertical), a reduction in supply will increase income; while if it is elastic (approaching horizontal), a reduction in supply will decrease income.

The slope or change in the slope of the supply curve is relevant, in the context of marketing orders, because it indicates how much future production and amounts marketed will change as price changes. As the supply becomes more elastic, the amount marketed will continue to increase as a result of a price increase until subsequently the price will go down or more "teeth" will be needed in the marketing order to restrict unwanted supplies.

On the supply side, marketing orders may be designed for the primary purpose of controlling the quality of the product being marketed. Orders for this purpose will incidentally reduce the total supply and thus tend to raise the price. But through quality control it may be possible to expand markets by building new demand or to increase total returns by selling various qualities in different markets at various prices.

agribusiness
RESEARCH REPORT

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by R. L. Kohls, Purdue University

How Do Farmers Sell Their Grain?

If you operate a grain elevator, the chances are that what you think are important factors in getting the farmer's business do not agree with what the farmer himself thinks. This is one of the conclusions of an analysis of farmer grain selling activity. (**What Influences Off-Farm Grain Sales in Missouri?** *General Report* 91, *Farmer Cooperative Service, USDA, Washington* 25, *D.C.*) Increasingly, it is apparent that we really know little about the farmer either as a buyer or seller. This interesting little report will be of value both to elevator operators and anyone else who is serving the farm market.

Can We Increase Our Foreign Markets?

A great deal of effort, both public and private, is currently going into efforts to expand sales of agricultural products in foreign countries. The degree of success these programs are having is the subject of the bulletin, **The Effectiveness of Agricultural Market Development Projects in Japan** (*Indiana Experiment Station Bulletin* 719, *Purdue University, West Lafayette, Indiana*). The strengths of our efforts in selling cotton, wheat, soybeans, tobacco and other products are analyzed. If we are to sell more abroad, we must know more. This study provides some of that needed knowledge.

What Makes People Buy?

Did you know that those who buy a lot of chicken tend to be younger than those who buy little? They also tend to be city-reared but have nostalgic ideas about farming. Those who purchased less chickens were farm reared and had a practical, less pleasant view of farming. These are some of the interesting proposals of the study, **Differences Between High and Low Level Users of Chicken,** (*Maine Agricultural Experiment Station Miscellaneous Publication* 647, *Orono, Maine*). If we are to sell our products successfully we need all the knowledge possible about consumers. This study approaches the problem differently and is worth your reading.

What About a Federal Marketing Order for Eggs?

There is increasing debate about the feasibility of extending the market order procedure, now used for milk and some fruits and vegetables, to other commodities. A recent bulletin, **Government Administration of Egg Prices in the United States,** (*Connecticut Experiment Station Progress Report* 45, *Storrs, Connecticut*) analyzes the strengths and weaknesses of various egg pricing proposals which might be used. This is useful reading even if eggs are not your special interest. All commodity groups will need more understanding in this general area if mistakes are to be avoided.

The Feed Industry's Role in Integration Explored

Just how big a factor is the feed industry in fostering integration arrangements? How far is integration moving into the livestock industry? What are the changing characteristics of integration contracts? These are some of the questions answered in the study, **Feed Industry Financing and Contract Programs in Iowa and Surrounding States** (*Iowa Experiment Station Special Report* 28, *Ames, Iowa*). This is a good analytical study of a currently important agricultural development. It should be on the reading list of most agricultural leaders.

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"What Farm Leaders Are Saying..."

"Farm mechanization has been a key factor in producing sufficient food for a mounting American population and there will be an even greater need for mechanization in the years ahead," stated **J. W. Haney,** manager of farm tire sales for Goodyear Tire & Rubber Company, at the closing session of the National Retail Farm Equipment Association's four-day meeting.

"To meet the food requirements for this many people," he said, "we must more than double our production of foodstuffs within the next 40 years. Increased farm mechanization will play an important role in producing food."

• • •

Speaking at the annual meeting of the Farm Equipment Institute, **Willis G. Scholl,** newly elected president of the FEI and executive vice president of Allis-Chalmers, said, "It is something of a paradox that our very efficiency and ability to produce has proved to be such a problem because of surpluses.

"These surpluses are a problem," Scholl said, "but all of us who are consumers must admit in all honesty that we should consider ourselves very, very fortunate to have surpluses in this country rather than shortages."

• • •

America's greatest danger is its general indifference to "the organized attempts to limit output per worker, per factory and per farm," **Dr. Earl L. Butz,** Purdue University's dean of agriculture, declared while addressing the annual meeting of the Agricultural Publishers Association. He observed that "one of the most remarkable phenomena of our age is that America continues to grow in total production and standard of living in spite of widespread organized attempts to prevent it."

• • •

"The farmer's future rests in the hands of research people. Only a steady stream of new products from the laboratories will keep farm producers competitive," said **C. D. Siverd,** general manager of American Cyanamid Company's Agricultural Division during the recent opening of the Cyanamid Agricultural Center.

• • •

In an address to the 47th annual convention of the National Audubon Society, **Senator Harrison A. Williams,** (D., N.J.) declared that urban sprawl and the encroachment of high ways and homes pose a "tremendous challenge" to the preservation of open space in and around the nation's urban areas. Williams urged that groups interested in the preservation of open space develop "an effective alliance," backed by a well-staffed clearing house to disseminate information.

"Only by making common cause can piecemeal encroachment be curbed," he said. Only through an effective alliance of organizations can we make sure, for example, that it will not remain politically expedient to decimate our parks for highways and other purposes."

• • •

If the government's farm price fixing practices of 1961 are continued, the American free agricultural system will be destroyed, **Robert C. Liebenow,** president of the Chicago Board of Trade, recently said when

he addressed the Agricultural Research Institute.

He declared (1) the U.S. Department of Agriculture by adding 45 cents to the support loan price of soybeans had so stimulated soybean production that a sizeable surplus probably will end up under government control, and (2) the government's sales of surplus corn have weakened corn prices and made that market subservient to government decisions.

"The government," he said, "has become the one great price fixer in the corn market, at the same time it is using antitrust provisions to prosecute price fixers. If this practice is continued, it will destroy current marketing facilities."

• • •

A leading agricultural scientist declared today that food fadists were hampering the progress of agriculture by "deliberately formenting a wave of fear and alarm among the consumers of our country."

Dr. Robert H. White-Stevens of American Cynanamid Company's Agricultural Division said that the attacks on use of chemicals in food production had created an atmosphere which had made possible legislation that could reduce farm progress to "a veritable shambles."

Speaking at the 14th Annual Animal Industry Conference in Fresno, he called for a "food production explosion" to match the world "population explosion."

• • •

The current upswing in business activity across the nation has some encouraging implications for farmers, according to **Arthur W. Anderson,** farm management specialist for the Cooperative Extension Service at South Dakota State College.

Last fall the nation was entering a mild business recession. "We are now in what appears to be a rapid and substantial recovery," says the specialist. "Those who eat and use farm products will have more money to spend.

The purpose of this appraisal is not to glorify the farmer but rather to suggest that many of the things that are going on supposedly in his interest are actually reacting against him. Here is the man who more than anyone else put into practice the free enterprise system in which most Americans take pride. Here is the producer of the very essentials of life — food and fiber — not only for the people of his country but for teeming millions throughout the world. As the farmer advances into the second half of the twentieth century he finds himself in the incredible position of being widely regarded by his fellow countrymen as a ward of the government and too dumb to run his own business.

MUST EVERYTHING DONE FOR US WORK AGAINST US?

by G. B. Gunlogson

● THE AMERICAN FARMER is the willing or unwilling recipient of more solicitous attention and advice than any other economic group in the world. No other group has more people and more bureaucracy catering to him and preaching to him. Farming has also become unique in that almost everyone seems to know more about the business and what's good for agriculture than the farmer himself.

More material is published about agriculture and the farmer than any other industry. One of the principal sources is the government. In 1960 the number of farmers' bulletins and leaflets distributed by the Department of Agriculture alone is given at 11,879,000. Even a much greater volume of material goes to the farmer from other governmental agencies (federal and local), agricultural colleges, farm organizations and commercial concerns (not counting catalogs and strictly sales literature).

In a different classification are the farm magazines. There are many hundred farm publications when all are counted including various special papers. The farm magazine is an old institution which for many years has served the farmer as his most important source of information. Most surveys show that the farm magazine still tops all other sources on which the farmer relies for technical information.

The forces which are influencing agriculture and the future of the farmer do not originate with any publication or media of communication. For these forces we must look to the vast number of people, agencies and organizations that are serving or have become allied in some way with agriculture and the farmer.

The Universal Employer

They operate in many fields and have many interests. They may include scientists, engineers, technicians, economists, teachers, administrators and politicians. All are either largely or primarily dependent on agriculture. Every year close to 7,000 agricultural college graduates plus a number of other trained men join these ranks. A relatively small percentage of college graduates go into actual farming.

In the U.S. Department of Agriculture (including all its offices and agencies) there were 92,220 people on the payroll as of June 30, 1959. This is four times the number (24,020) recorded thirty years ago. This does not include teachers of agriculture in high schools or colleges, except those who are also engaged in work coming under federal payroll.

Other large groups include teachers, workers in farm organizations and governmental units; local, state and federal. In private industry there are between 15,000 and 20,000 employed in services essentially related to agriculture. They also include chemists, engineers, technicians, economists, and others. And, this number does not include those regularly employed in processing, in sales work, or as dealers whose business is supplying farmers.

Most of these organized groups are experts in the use of public relations and propaganda. They are vigorous in seeking public support. There is little difference whether the objective is to attract votes by an office seeker, to dispense technical service, or sell a product. The sales pitch is pretty much the same. It emphasizes or creates a need and then makes promises to fill that need.

Notwithstanding the contributions to agriculture which have come from the government, a great deal of the conflict and chaos in farming today stems from unwise farm policies and planning. There are many overlapping and often contradictory agencies and services. Most workers in agriculture, especially among those who are close to the actual farm front, are well aware of this situation, but there isn't much they can do about it.

"As a county agent of 18 years service, I find that it is very difficult

to have a farm program in a county when there is so much overlapping and duplication of farm programs of which each organization is directed from different headquarters with none of the organizations knowing what the other organizations are doing on a particular farm. In my county there are many agricultural agencies attempting to service agriculture. This is true in every county in my state."

Most Important Part

The institution that has played the most important part in our twentieth century agriculture is the agricultural college. Research, education, short courses and farm institutes have been of inestimable value to farmers. The general influence yielded by these institutions has been widespread, constructive and for the most part carefully patterned to suit conditions and farm people within each locality. However, the prestige and influence of these institutions suffered in many respects with the advent of certain of the farm agencies. In some cases outside politics have reacted against the college, which many deplore.

Farmers long accustomed to scanning the sky for what the morrow may bring are aware of the forewarnings of the growing forces and influences over which they have so little control. This feeling is keenly felt by many farmers, one of whom expressed himself this way:

"I am 52 years old and the third generation on this farm. I am not complaining about my income which has been up and down but on the whole we have done pretty well. But it is getting so that I don't know whether I am coming or going. Everybody seems to be calling the shots. When I think about the future, I don't know whether to pray to God or to Uncle Sam.

"Everyday I read in the newspapers or hear on the radio something about farming that disturbs me. On one page it is about over-production and surpluses. From the next page I get the idea that farmers don't know much about farming. Everyday we hear about the billions of taxpayers' money going to farmers.

"In our county most of the farmers are getting along all right. They don't need all those fellows in the grandstand shouting at them. If they would start selling peanuts instead of trying to run the game, we would be better off. Maybe we should move into the grandstand too."

In our country we have always been blessed with abundance of material resources. Many other nations are also rich in material resources but their people have lacked the ability to translate this wealth into human benefits. Instead, their people have lived generation after generation in poverty and hunger. The great abundance of material things, comfort and personal freedom we enjoy here have been won by the people thmeselves. They have not been given to them by somone else. More than anyone else the farmer by his own resourcefulness and enterprise laid the foundation for our wealth and high living standards.

Long before anyone had thought of farm programs or federal aid for farmers, they had literally built a new world. By the start of the century farmers had developed the most efficient agriculture in the world. Over 60 percent of the country's total exports were agricultural products, and during all these years crop surpluses have been the rule.

Family Farm Unit

The great incentive for the individual of this time was to own land and a home. Following the abolishment of the feudal system, which became implanted during colonial times, various land distribution and tenure systems during more than two hundred years had clearly shown the advantages of the family farm unit. Our homestead laws of 1862 were based on the experience that the freeholder, rather than tenant, is the natural supporter of good government and is a better community builder. Under this system the American farmer not only developed the most efficient agriculture in the world but his contributions to the progress of American enterprise have been incalculable.

Nearly all farm practices now employed were worked out by farmers. They have constantly sought to find better ways of doing things and of bettering cultural methods, soil management and animal husbandry.

Actually, the farmer himself contrived or invented most of the machines now found on farms. They have been modified and refined by engineers and manufacturers. More than a hundred years ago farmers were experimenting with combines; many tractor innovations began on farms sixty years ago. Some of these incorporated bullwheels from binders for drivewheels. Somewhat later, automobile chassis and engines became the basis for widespread experimentation by farmers. This led to quantity manufacture of some of these units. Nearly all barnyard equipment and materials-handling equipment was made by farmers.

During the last few decades various influences and forces originating not with farmers, but on the outside and largely beyond his control, have reacted against the farmer and complicated his problems. Some of these are the aftermath of wars. Prices of commodities including farm products always advance with wars and the readjustments which follow are invariably painful. Technological advances have greatly increased the production potential of the land and for each farm operator, which has in effect compounded the problems of surpluses.

Farm legislation and various emergency measures greatly intensified the situation as a whole. At the same time it enabled wealthy landowners to expand their operations and to some extent at the expense of the family farm. Widespread investment, as a hedge and to gain tax advantages from high incomes earned outside of farming, in land and farming operations, has worked against the man who makes his living mainly by farming. Labor policies have tended to favor large operations depending on mass labor. There is more migrant labor living under substandard conditions than ever before.

In the past, most of our advances in agriculture have been tailored to productive lands. Much less attention has been directed to "marginal" farming although this provides a way of living for a large number of people. Of all the land in the United States classed in farms, something like three-fourths may be called poor crop land because of soil or terrain. It is on this kind of land that a great many of these people depend. They live on the land and many of them supplement their income by part-time jobs. End.

C★★★

Our Purpose!

The 1959 Agricultural Census reports only 794,000 farmers are grossing more than $10,000 a year income. Only 312,117 farmers are grossing more than $20,000 a year income. Only 102,143 farmers are grossing more than $40,000 a year income.

For a number of years, the publishing staff of BETTER FARMING Methods has been aware of the cataclysmic changes which are occurring in American agriculture. It has realized this small group of farm folks, together with their professional ag leaders (county agents, vo-ag teachers and extension specialists), have the responsibility for re-shaping the future of American agriculture.

Since July of 1960, the circulation of BETTER FARMING Methods has totaled 50,000 copies monthly to these leaders in agriculture. Now - beginning with the January, 1962 issue - we will add 25,000 more recommended, influential, top-income farmers, increasing total circulation to 75,000.

BFM has been dealing with important political, sociological, economic and farm management problems...for it is in this area where the future role of agriculture in our country's economy will be determined.

Will we have a free agriculture or one controlled or licensed with quotas?

Can technology be bottled up? How many farmers must leave the land to make it possible for the remaining ones -- the more efficient -- to make an adequate income? Will marketing orders preserve the so-called family farm? Or is it possible that a two-family farm may be more appropriate for the times in American agriculture?

Have other nations in earlier days faced this same problem as they achieved maturation? The average life of great civilizations of the world has been 200 years. In just fifteen years, our own United States will be 200 years old.

Will we follow in the footsteps of the nations which progressed through this sequence?

1. From Bondage to Spiritual Faith
2. From Spiritual Faith to Courage
3. From Courage to Liberty
4. From Liberty to Abundance
5. From Abundance to Selfishness
6. From Selfishness to Complacency
7. From Complacency to Apathy
8. From Apathy to Dependency
9. From Dependency back into Bondage

What do you think?

Today's BETTER FARMING Methods is the most talked-about magazine of all agricultural magazines. It is pioneering a new kind of agricultural journalism. It is daring, challenging and disturbing, but stimulating.

I hope you are enjoying it and are also benefiting by its unique editorial content. I would enjoy hearing from you.

Leslie A. Watt
President and Publisher

BETTER FARMING METHODS
BPA

MOUNT MORRIS, ILLINOIS

New Ideas you can use

The booklets featured on this page present many new ideas. To obtain them, send a post card to the listed address, and be sure to include your return address. Say you saw it in Better Farming Methods.

New Feeding Booklet

A 24-page booklet, "How to Feed Modern Dehydrated Alfalfa," has been published by the American Dehydrators Association. The booklet contains nutrient feeding information of value to producers of beef cattle, dairy cows, swine and sheep. It includes specific suggestions on when and how to include dehydrated alfalfa in the rations to obtain maximum benefits economically. Free copies may be obtained by writing to the American Dehydrators Association, 430 Board of Trade Building, Kansas City 5, Missouri.

New Papec Harvesters

Two all new forage harvesters feature: (1) A heavy, rigid knife wheel running on heavy duty ball bearings, (2) six knives of heat treated special alloy steel. (3) micrometer accurate knife supports which provide close adjustment to shear plate, and (4) positive action finger feed roll (on Model 35F) for even feeding of material to the cutting knives. Further information is available direct from Papec Machine Co., BFM Dept., Shortsville, New York.

Special Flooring for Hogs

New Pamper Pad Hygienic Flooring for swine buildings providing new low-cost disease barrier in line with today's emphasis on disease prevention in pork production has been introduced by Pamper Pad, Inc., St. Marys, Ohio. The high impact rubber flooring serves as an effective disease barrier, and its soft, easy-to-clean, non-slip surface prevents lameness in confined hogs and eliminates the need for straw bedding. The special sanitizing agent incorporated in the new flooring inhibits the growth of bacteria. It has a long life expectancy and reasonable first cost. It has been thoroughly tested in normal farm herds and in the SPF disease-free hog program with highly satisfactory results. Complete data may be obtained from Pamper Pad, Inc., Department 427, P.O. Box 289, St. Marys, Ohio.

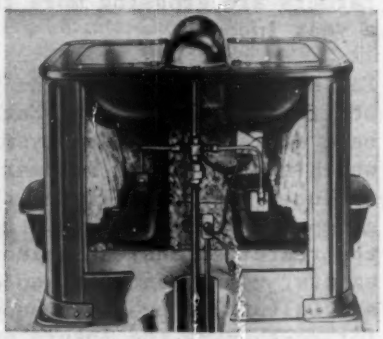
Multiple Compartments Bin

Meeting the demands of the progressive farmer for more storage in bulk, Leach Manufacturing Company, Gadsden, Alabama, offers this Lemanco four-compartment on-the-farm concentrate bin having a capacity of 5.6 tons (1.4 tons per compartment at 40 lbs. per cubic foot). Large weatherproof roof opens from the ground for easy filling to each of four compartments. Built-in cross ventilation of roof holds condensation to a minimum. The multiple compartments allow storage of four different types of feed, or two or more compartments can be filled with the same feed if desired.

Stauffer Publishes Trithion Handbook

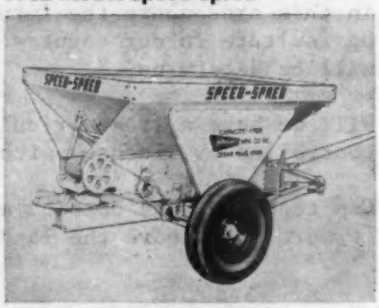
A 22-page handbook on Trithion has just been published by Stauffer Chemical Company. Entitled "Trithion — When, Where, How to Use It," the handbook contains an up-to-date detailed listing of the crops on which Trithion may be used and the pests controlled. The dosage rate of each formulation of Trithion which is registered for a particular use is shown, and the accepted tolerance for residues on each crop, application cut-off time, and any special use restrictions are given for each crop. Copies are available without charge from Stauffer Chemical Company, 380 Madison Avenue, New York 17, New York.

Automatic Livestock Waterers



An all-new non-siphoning cast iron hog waterer and a new series of non-siphoning combination cattle and hog waterers designed for the modern livestock producer have been introduced by Hawkeye Steel Products, Inc., Waterloo, Iowa. The new model is fully insulated and equipped with a slide mounted heating unit that can be installed or removed in seconds. The unit is available equipped with either automatic electric or gas heat or kerosene heat to keep water from freezing even in sub-zero weather. A special trough lid on the waterer saves heat and helps keep water clean.

1962 Model Speed-Spred



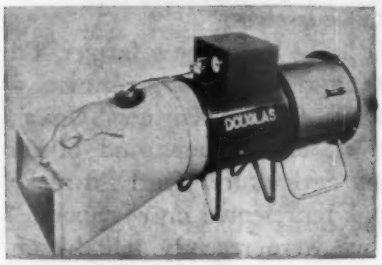
The 1962 Speed-Spred, made by Calhoun Manufacturing Co., Inc., Cedar Falls, Iowa, incorporates engineering changes designed for increased versatility. Redesigned heavy duty axles with an enclosed gear drive for the 10-inch ground-driven stainless steel corrosion-resistant chain belt permits Speed-Spred, in addition to spreading fertilizer, lime, gypsum, and commercial organic fertilizer, also to sow small grains and to spread such ice control materials as

sand, salt, cinders, chips and calcium chloride on driveways, streets and highways

Heavy Duty Rotary Cutter

The all-purpose heavy duty Gyro 84 rotary cutter manufactured by Servis Equipment Company of Dallas, Texas, has this season been found as the answer to the problems in West Texas for cutting, crimping and windrowing Sudex hay. At least this is the statement from Paul H. Fischer, Route 5, Haskell, Texas, who has had difficulty in harvesting this phenomenal growth product as shown above to be 10 to 12 feet high and ½ to 1½ inches in diameter at the base. Curing time was more than cut in half, while doing three normal operations in one. The Servis Gyro 84 may also be used as a stalk shredder by adding multiple intermeshing free-swinging blades, and which using only ½x5-inch blades, is guaranteed to cut four-inch diameter brush and trees without damage to the cutter or tractor.

New Douglas Grain Dryer



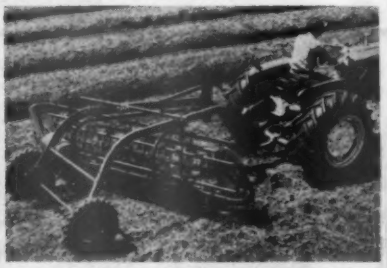
The Dial-A-Temp Dryer allows control of the drying rate by one simple dial adjustment. It adds to the outside air just the right amount of heat to compensate for natural outdoor temperature fluctuations in order to maintain a continuous even air-flow of constant temperature.

For complete illustrated information write Douglas Chemical Company, Grain Drying Division, 620 East 16th Street, North Kansas City, Missouri.

Animal Health Booklets

Free booklet tells you how to prevent and treat mastitis, another tells how to increase livestock finishing profits and the third discusses ways to boost hog profits. Any one or all three are yours by writing to Squibb, Veterinary Department, 745 Fifth Avenue, New York 22, N.Y.

Idea Improves Rake



A totally new concept in ground drive parallel bar rake design is this new V-belt rake from New Idea Farm Equipment Company, Coldwater, Ohio. This exclusive design eliminated the need for a gear box, universal joints or chains and provides quieter operation than conventional rakes. Other features of the rake include variable reel speed, a single crank for adjusting basket height and only three daily lubrication points.

New 181-Bushel Mixer-Feeder

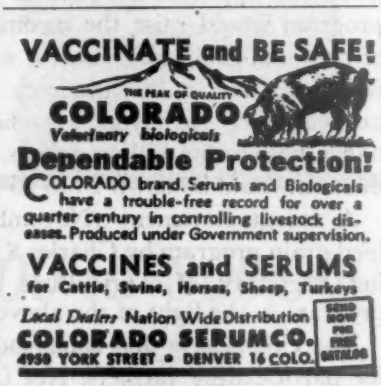
A new mixer-feeder with a reversible floor conveyor for front or rear unloading is being introduced by the Farmhand Division of Daffin Corporation, Hopkins, Minnesota. This new unit, called the F-40 Feeder has a level capacity of 181 bushels. The F-40 is feed and grain-tight; equipped with one large diameter beater in the mixing chamber. It utilizes tractor PTO power to mix and unload dry feed, green feed or forage through front cross conveyor system, utilizing a 19½-inch rubber belt. Beaters can be removed for front unloading of pelletized feed or corn where mixing is unnecessary.

"The Lifestream of Production"

"Automatic Livestock Watering — the Lifestream of Production" is the title of a most complete booklet on livestock watering. It is complete with water tables, photos and other information. For your free copy write to Ritchie Manufacturing Co., BFM Dept., 427 Walnut St., Conrad, Iowa.

Profit-Making Pasture Practices

Free booklet reports many research studies plus recommendations for renovating, reseeding, and grazing in many sections of the country. Write to Keystone Steel & Wire Company, Department 2912, Peoria, Illinois.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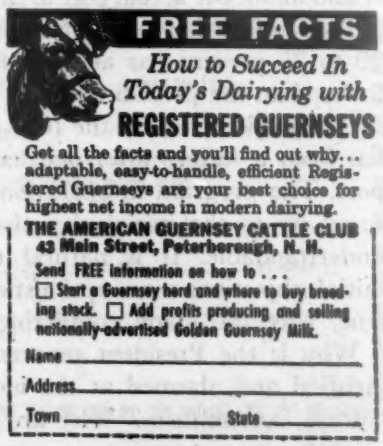
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EDITORIAL

John W. Hough

CONFUSION REIGNS — If you've been reading all the releases and statements concerning the administration's experience with the feed grain program you must feel a little like we do — confused!

When the bill was first submitted for Congressional approval the backers stated that the program would raise the income of producers of corn and grain sorghums; it would cut down feed-grain stocks by hundreds of millions of bushels; save taxpayers anywhere from one-half a billion to a billion dollars, and corn production would be down 20 to 25 percent.

A recent statement (November 9) on the feed grain program by Charles S. Murphy, Acting Secretary of Agriculture, measures the program in the light of the above objectives.

The USDA says that it has increased income for participating farmers. Net farm income is up 9 percent from 1960.

Despite record yields, the total carryover of feed grains will be reduced by about 200 million bushels, the first reduction in surplus feed grains since 1952.

What about the costs? Murphy's statement says that government outlays under the emergency feed grain program will be about 500 million dollars less than the costs which the government would have incurred had the 1960 Benson program continued in effect. Nothing is said about the actual cost to taxpayers.

Production that was estimated to be down 20 to 25 percent has actually been 9 percent lower than the preceding year.

It is difficult to say the feed grain program has been a failure after one has read the report. The program in operation has not measured up to the initial objectives, but this is understandable. It is natural to believe the initial objectives were optimistic. If all this is true, why the many conflicting reports?

Why is the President reported not entirely satisfied and alarmed at the increase in agriculture expenditures? Why are so many people entirely dissatisfied with the feed grain program?

PEOPLE CONTROL — The July 23 edition of our Sunday paper, **Rockford (Illinois) Morning Star,** contained an editorial called "Price Control Is People Control". Dr. Dean Russell, the author, said, ". . . the only thing that can be controlled by government in this process of minimum and maximum price is people."

It is interesting to push Dr. Russell's thoughts over into agricultural production legislation and ask this question: Is it the production of agricultural commodities that is to be regulated?

Why don't we come out and say we're going to control the producers of a specific commodity and let it go at that? The answer: Americans just don't believe in "people control!"

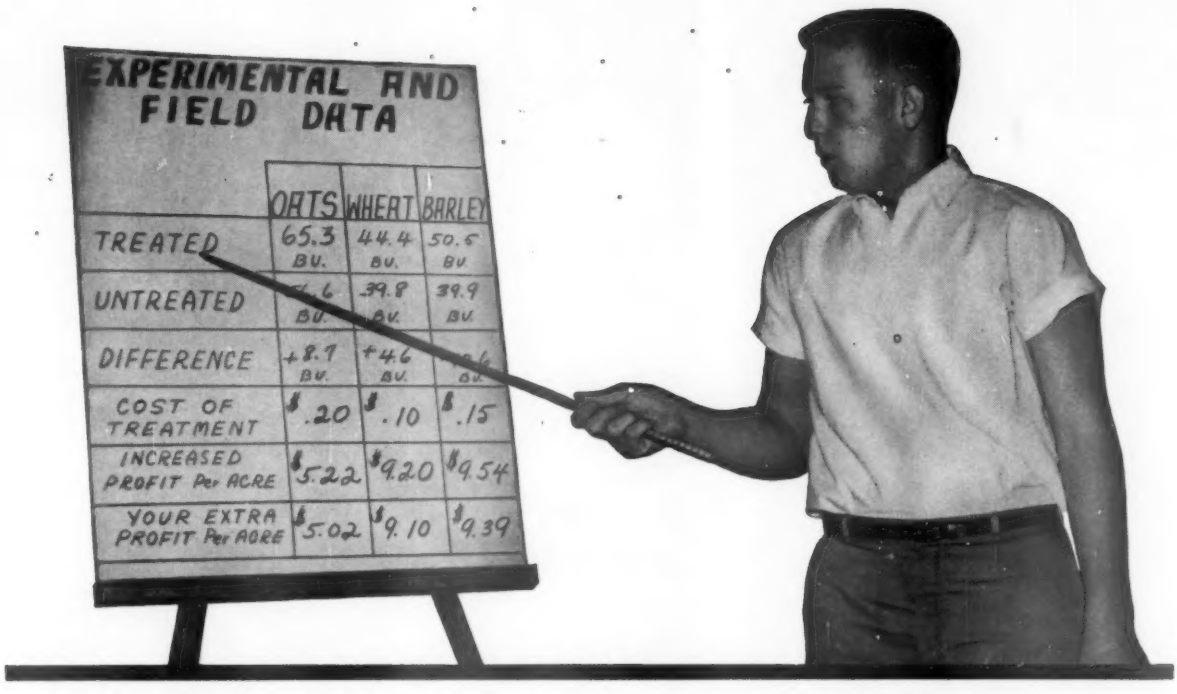
Yet, we go along with price control, acreage control, production control, minimum wage control, and rent control, but we can't stand "people control." It would appear that we are fooling no one but ourselves.

SIGN ME UP! — "If I were a farmer, I'd belong to every agricultural organization I could: Farm Bureau, Grange, Farmers' Union, NFO, cooperatives, local groups and others truly representing agriculture. Then I'd make sure that each one represented my viewpoint."

That's what we were recently told by an agribusinessman. It's a statement which will bring forth many violent objections and arguments.

But the fact remains that agriculture must have organized strength and support. A common membership would tend to think alike on important issues. It would help dissolve organizational differences. It might someday mean a committee of organizations presenting an organized front for all of agribusiness.

Why shouldn't membership lists for major organizations be full of duplication if all of these groups are working for the betterment of American agriculture.



Increase farm income $25,000 to $300,000 per county with seed treatment

"Best way I know to put $25,000 of extra spending money into my home county would be to treat all the small grain seed with a good seed treatment," says Danny Lamb, Swainsboro, Ga., winner of the 1960 Georgia Crop Improvement Project Award.

Danny's work shows that income from oats can be increased by $5 per acre with seed treatment . . . wheat by $9.10 . . . and barley by almost $9.40. This figures out to well over $25,000 for the small grain acreage in his home county.

Counties with larger acreages in small grains, cotton, sorghum, flax, and peanuts can reap still bigger benefits . . . as high as $300,000 per county for the high-producing grain counties of the Great Plains.

You can help increase farm income in your county by telling more farmers about the benefits of seed treatment. Morton Chemical Company, makers of Panogen seed fungicide, Drinox seed insecticide, and Pandrinox dual-purpose treatment will help. They'll provide booklets, films, and other helpful materials. Use the coupon below to request information.

Don't let farmers in your county miss out on the extra crop yields and bonus income that seed treatment can bring. Tell them the seed treatment story hard and often!

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Send me full information on materials available to promote seed treatment with farmers in my area.

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SULPHUR—a "must" for many plants and soils

Cotton Responds Well to Sulphur Applications

The photograph above shows cotton plants with and without the use of Sulphur in the fertilizer. Quite a difference, isn't there?

The chemist finds Sulphur associated with vegetable and fruit crops; also with all grains and grasses. Not much, to be sure, but everpresent. Analyze poorly developed plants, however, and, in many cases, you will find that their Sulphur content is very low.

Plants must have Sulphur! Many crops today are suffering from Sulphur deficiencies in the soil, which nature has little chance of making up. Even though the Sulphur content of most plants is small the need is vital. Sulphur should always be supplied as a means of insuring an adequate amount to meet plant needs.

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